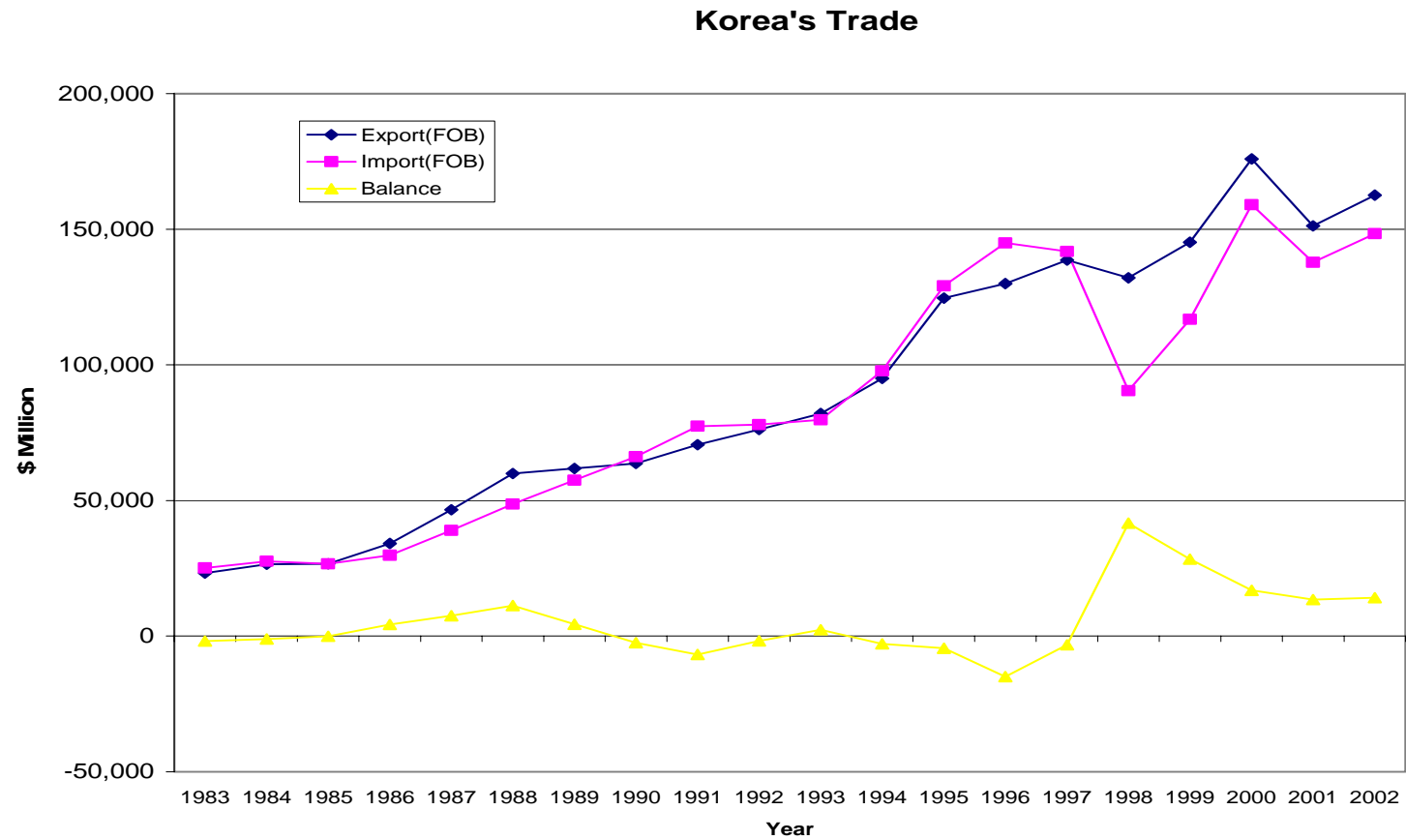


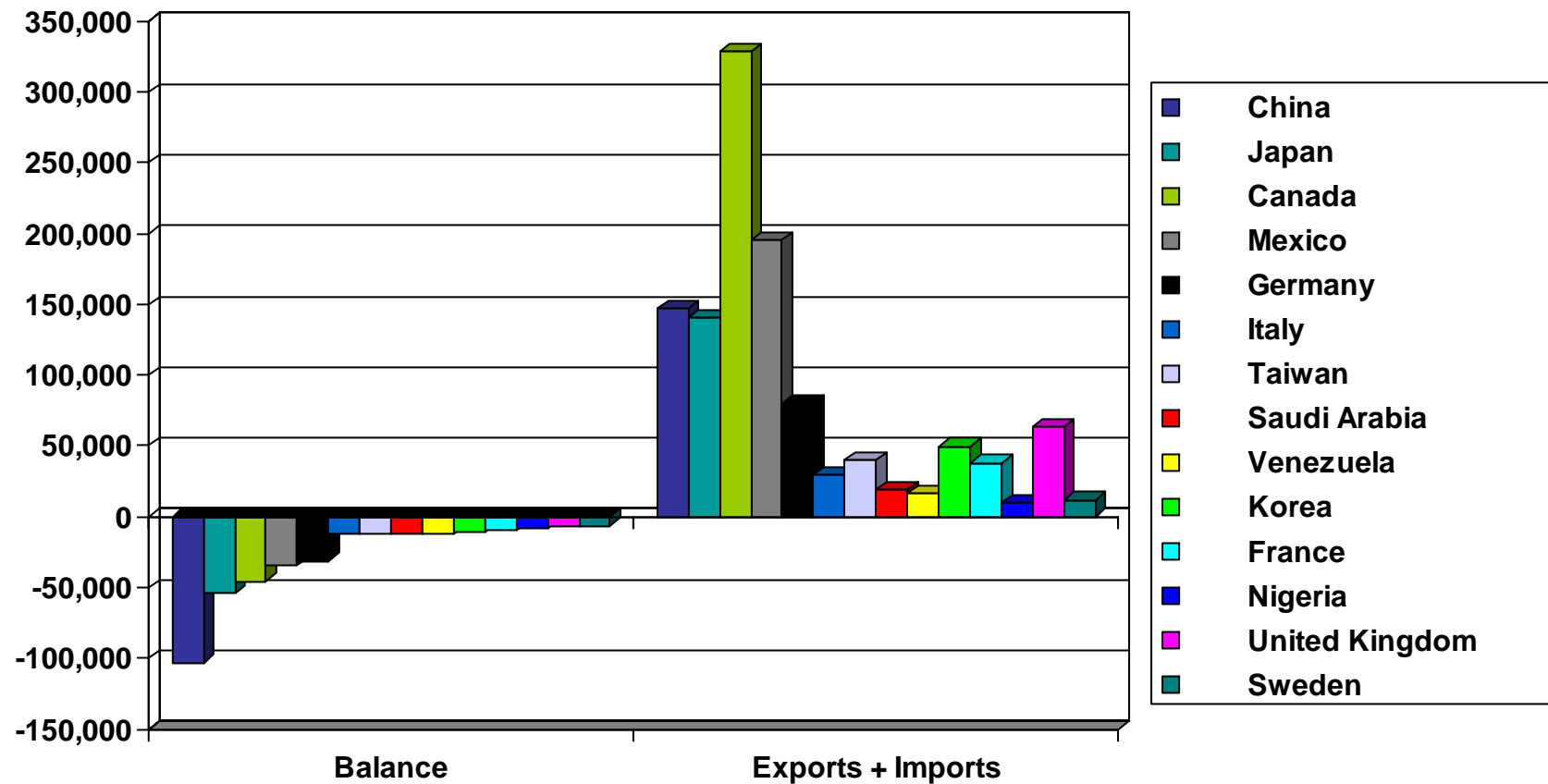
U.S.-Korea Economic Relations

Prepared by U.S. Embassy Seoul
Economic Section

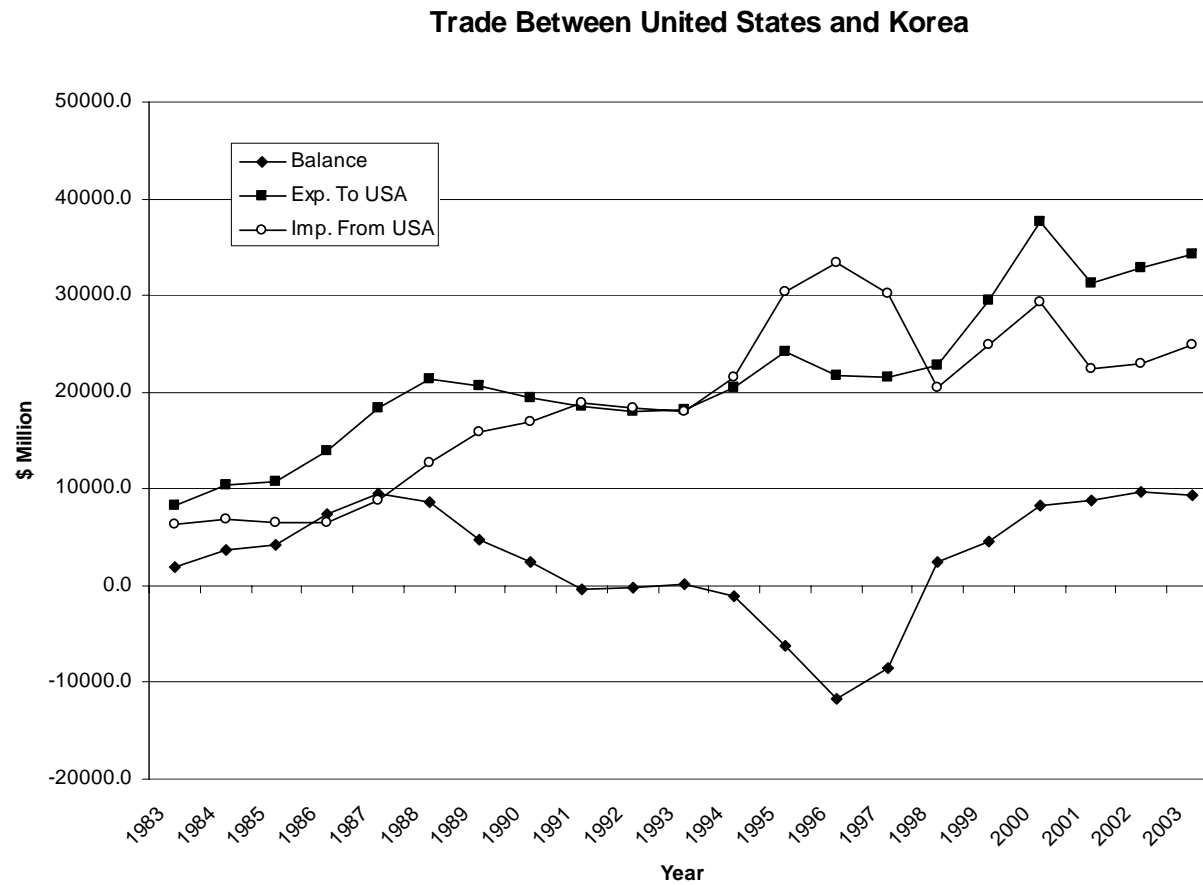
Korea's Foreign Trade Generally Balanced



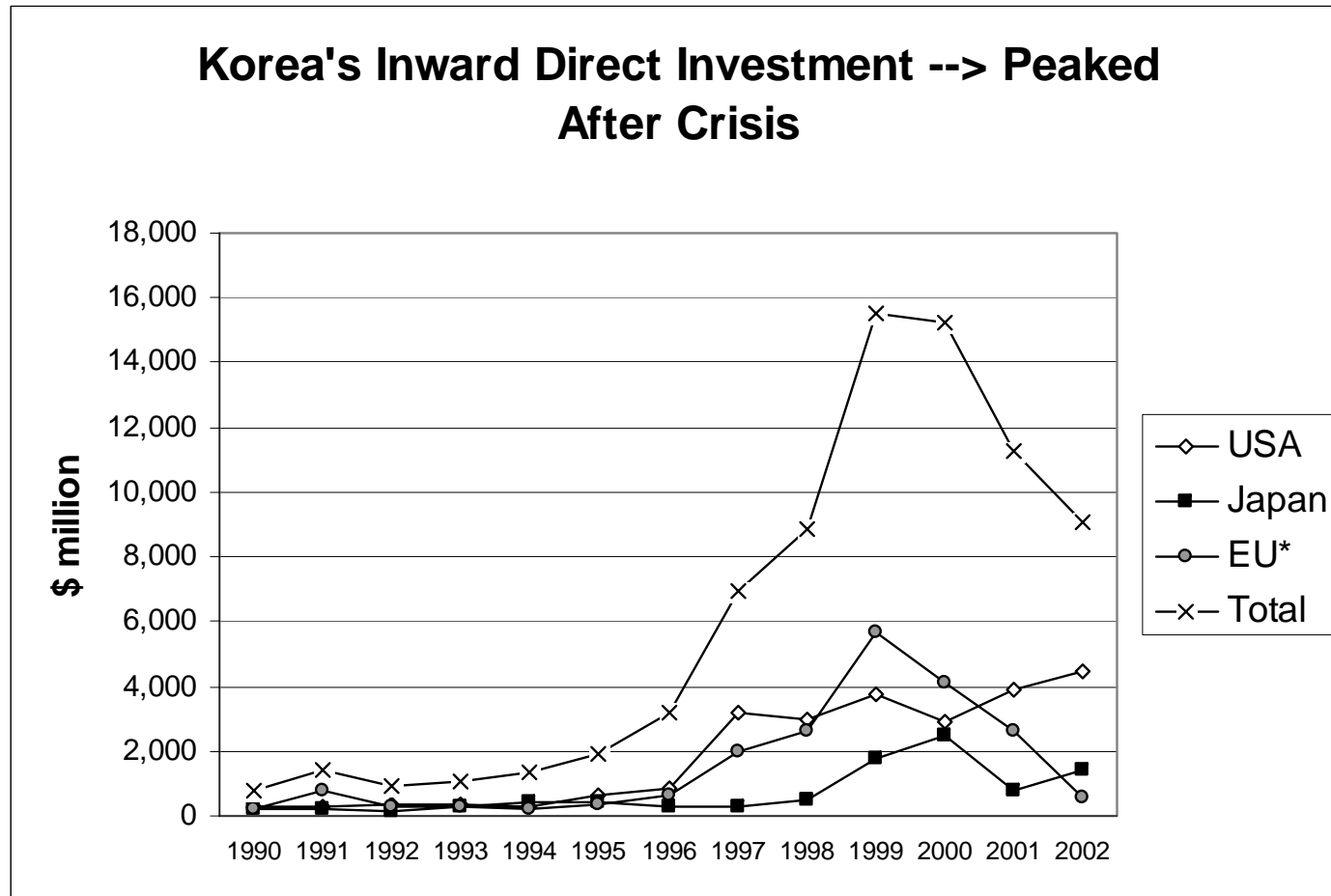
Korea is U.S.'s No. 7 Trading Partner, But No. 10 Trade Deficit (Jan-Oct 2003)



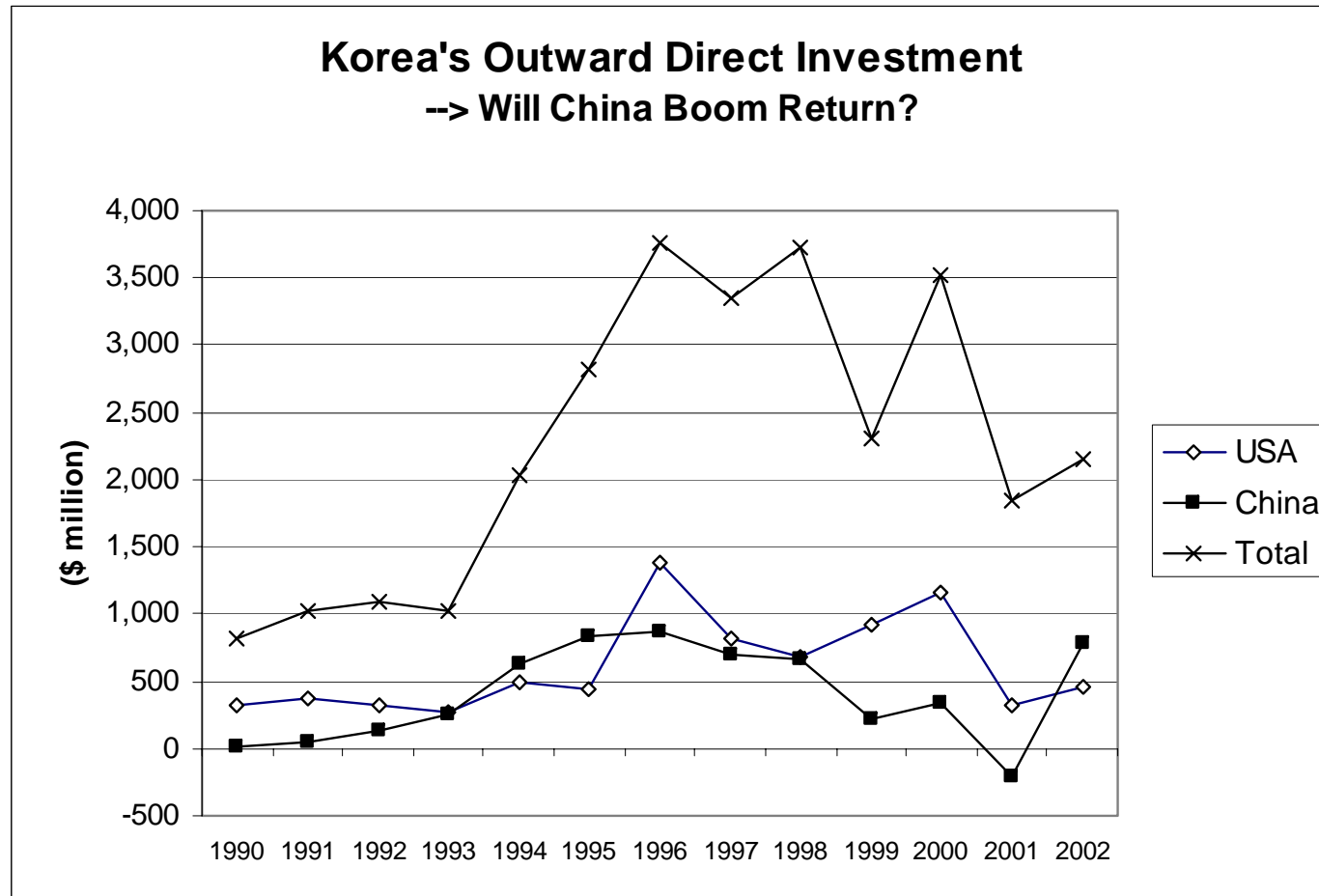
Korea Often Runs Trade Surplus with United States



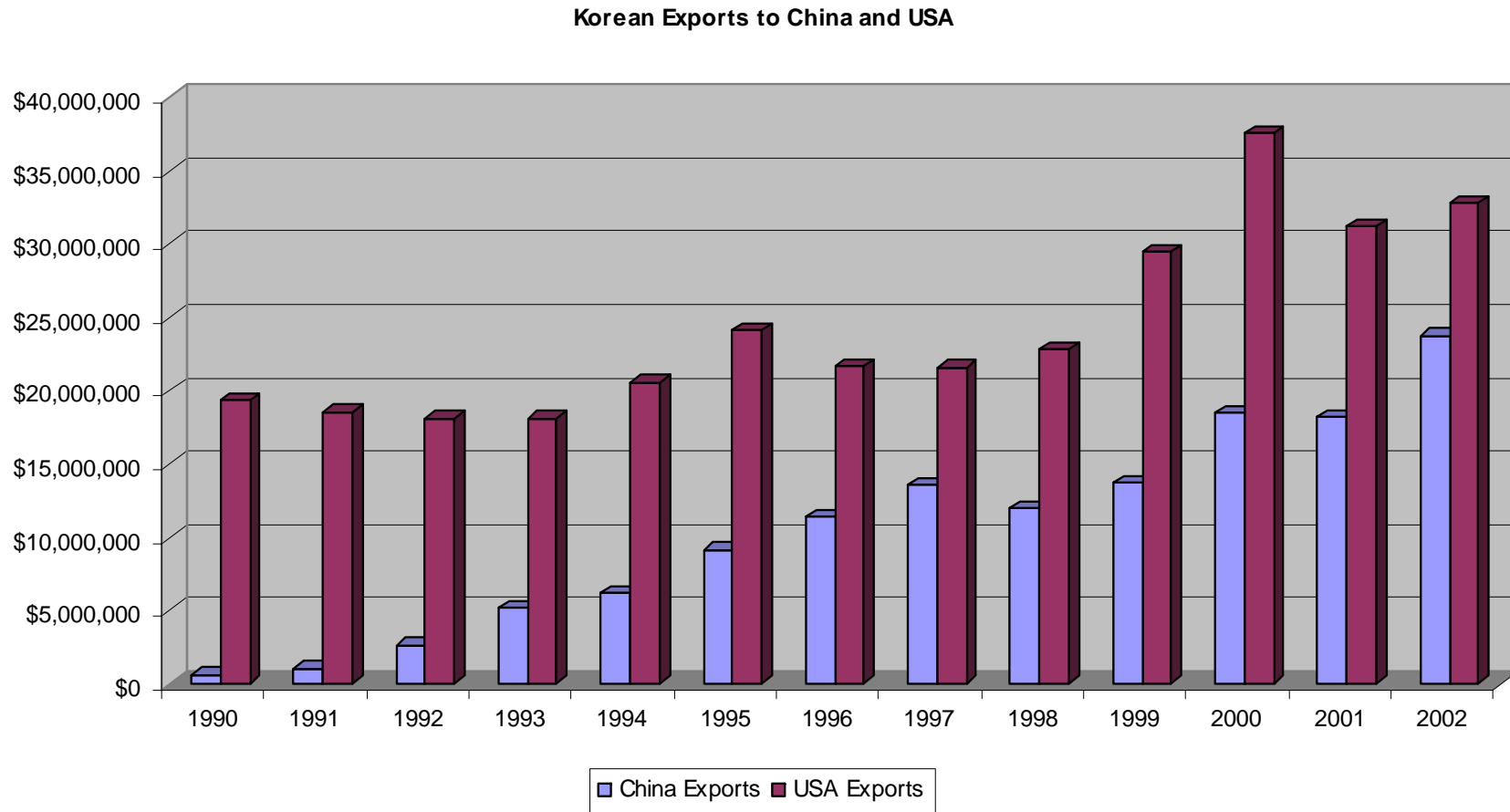
Inward Investment from Advanced Competitors



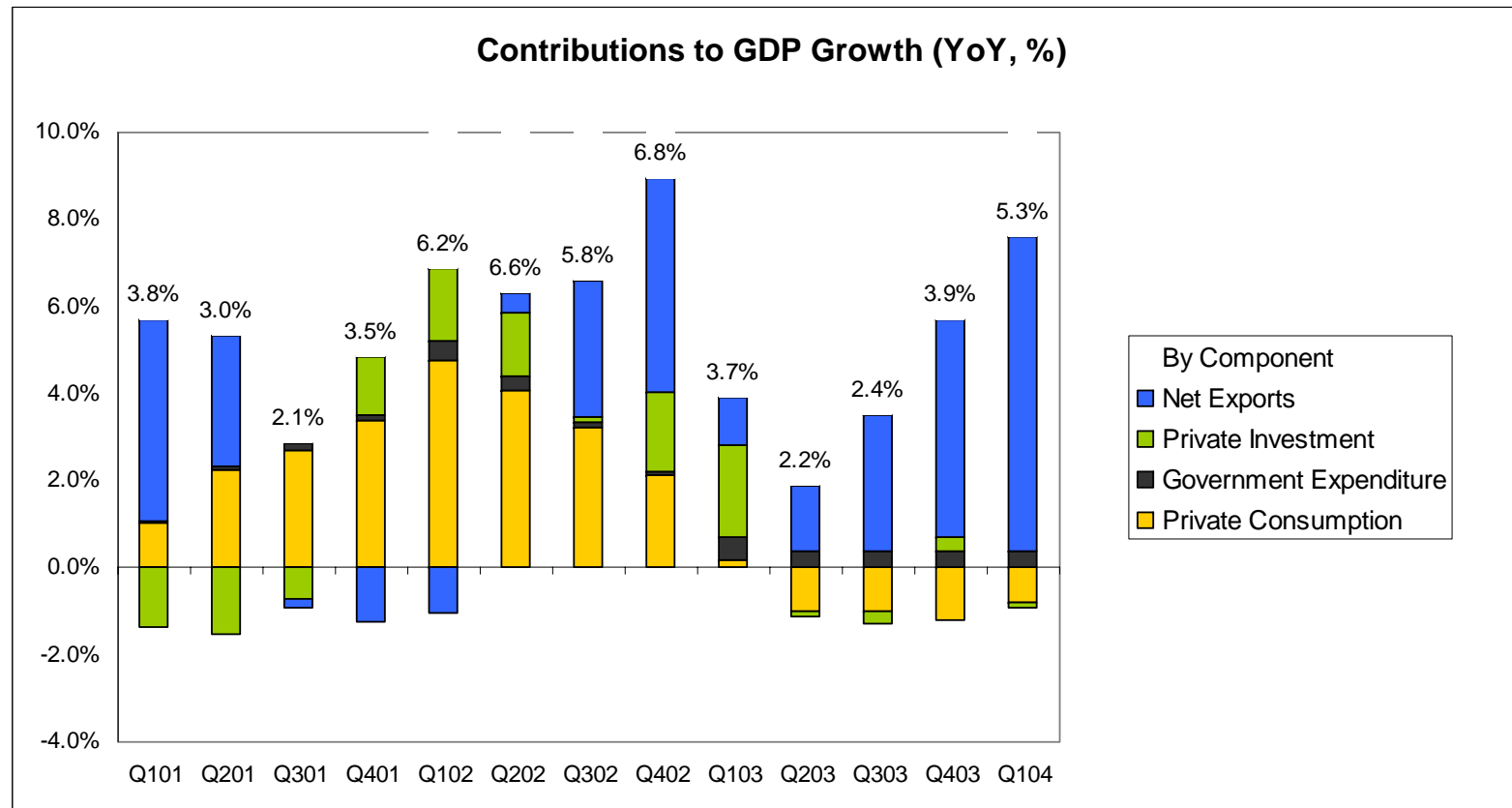
Korea's Outward Investment Heading to China



China Soon to Be Korea's Top Export Destination



Reliance on Net Exports for Growth



Key Bilateral Issues: Sectoral

- Intellectual Property Rights
- Telecommunications regulation
- Pharmaceuticals regulation
- Access to autos market
- Access to agricultural markets

Key Bilateral Issues: Structural

- Labor market flexibility
 - Deterrent to foreign and domestic investors
- Capital markets openness
 - Has improved significantly
 - Back-tracking?
- Lack of regulatory transparency
 - Predictability and openness of regulatory process